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Arizona Corporation Commission DOCKETED

APR 29 2011

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VIA HAND DELIVERY

Docket Control Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007

Re:

Case No. 147; Docket No. L-00000KK-09-0299-00147; Certificate of Environmental Compatibility held by SEP-II, LLC ("CEC")

Dear Sir or Madam:

Enclosed are an original and thirteen (13) copies of SEP-II, LLC's Annual Self-Certification Letter as required by paragraph 16 of the CEC.

Sincerely,

Andrew D. Gleason

Enclosures

cc:

Hon. Tom Horne, Attorney General (via U.S. Mail)

State Department of Commerce Energy Office (via U.S. Mail)

Original and 13 copies filed with Docket Control this 29th day of April, 2011

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Arizona Corporation Commission 1200 W. Washington Street Phoenix, AZ 85007

Re:

Case No. 147; Docket No. L-00000KK-09-0299-00147

Certificate of Environmental Compatibility held by SEP-II, LLC

Annual Self-Certification Letter

Dear Commissioners:

This shall serve as the annual self-certification letter required by Condition 16 of the Certificate of Environmental Compatibility (CEC) held by SEP-II, LLC in the above referenced docket. Construction of the Mesquite Solar Substation commenced in April 2011 and will continue with construction of the Mesquite Solar 230kv Generation Tie Transmission Line. The attached status report summarizes how compliance with each condition of the CEC has been achieved now that construction is underway.

Please contact me if any additional information is needed.

Sincerely,

Marilyn Teague

Summary and Status of CEC Conditions
Mesquite Solar Generation Tie 230kV Transmission Line
Docket Number L-00000KK-09-0299-00147
April 28, 2011

- The Applicant shall (a) obtain all approvals and permits required by the United States,
 the State of Arizona, the County of Maricopa and any other governmental entities
 having jurisdiction necessary to construct the Project, and (b) file application(s) for such
 rights-of-way across Arizona State Land Department lands as may be necessary to
 construct the Project.
 - a) The Applicant and its Contractors are continuing to obtain all permits necessary to construct the Mesquite Solar Generation-Tie Transmission Line ("Generation-Tie Line"). Maricopa County permits obtained to date include the Special Use Permit Amendment for Mesquite Generating Station, the Special Use Permit for Mesquite Solar Energy Facility, building and grading permits for the Mesquite Solar Substation ("Substation"), and a dust control permit for the Substation. Coverage under the Arizona General Permit for stormwater from construction activities at the Substation was approved by the Arizona Department of Environmental Quality. Pending permits include building and grading, dust control and stormwater permits for installation of the Generation Tie Line.
 - b) An application for rights of way across Arizona State Land Department lands was submitted on March 3, 2009. Approval was received on October 10, 2010.
- 2. The Applicant shall comply with all existing applicable statutes, ordinances, master plans and regulations of the United States, the State of Arizona, the County of Maricopa and any other governmental entities having jurisdiction during the construction and operation of the transmission line.

The Applicant will continue to comply with all existing applicable statutes, ordinances, master plans and regulations of the United States, the State of Arizona, the County of Maricopa and any other governmental entities having jurisdiction during the construction and operation of the Generation-Tie Line.

3. Pursuant to A.R.S, § 41-844, if any archaeological, paleontological or historical site or object that is at least 50 years old is discovered on state, county or municipal land during the construction or operation of the transmission line, the Applicant or its representative in charge shall promptly report the discovery to file Director of the Arizona State Museum, and in consultation with the Director shall immediately take all reasonable steps to secure and maintain the preservation of the discovery.

As described in the Construction Mitigation and Restoration Plan, the Applicant or its representative will promptly report the discovery of any archaeological, paleontological or historical site or object that is at least 50 years old is discovered on state, county or municipal land during the construction or

operation of the transmission line, and will immediately take all reasonable steps to secure and maintain the preservation of the discovery.

4. If human remains and/or funerary objects are encountered on private land during the course of any ground disturbing activities relating to the construction or operation of the transmission line, the Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum pursuant to A.R.S. § 41-865.

As described in the Construction Mitigation and Restoration Plan, the Applicant or its representative will promptly report the discovery of human remains and/or funerary objects encountered on private land during the construction or operation of the transmission line, and will immediately cease work in the affected area.

5. The Applicant shall comply with the notice and salvage requirements of the Arizona Native Plant Law (A.R.S. §§ 3-901, et seq.) and shall, to the extent feasible, minimize the destruction of native plants during the construction and operation of the transmission line.

The Applicant has filed the required Notices of Intent to Clear Lands with the Arizona Department of Agriculture for the affected areas, and will, to the extent feasible, minimize destruction of native plants during the construction and operation of the Generation-Tie Line.

6. This authorization to construct this Project shall expire five years from the date the Certificate is approved by the Commission unless the transmission line is capable of operation. However, prior to expiration, the Applicant or its assignees may request that the Commission extend this time limitation.

Requirement acknowledged.

7. In the event that the Project requires an extension of the term of this Certificate prior to completion of construction, Applicant shall use reasonable means to notify (a) all landowners and residents within one mile of the Project, (b) all persons who made public comment at this proceeding and (c) all parties to this proceeding of the Applicant's request for such extension and the time and place of the hearing in which the Commission will consider, the request for extension.

Requirement acknowledged.

8. The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints, of interference with radio or television signals from operation of the transmission lines and related facilities addressed in this Certificate. The Applicant shall maintain written records for a period of five years of all complaints of radio or television interference attributable to operation, together with the corrective action taken in response to each complaint. All complaints shall be recorded to include notations on the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained in the retained records.

The Applicant will make every reasonable effort to address, correct and record all complaints of interference with radio or television signals from operation of the generation tie line and related equipment. The corrective actions will be noted and unresolved complaints will be noted and explained.

- 9. Within 120 days of the Commission decision granting this Certificate, Applicant will post signs in public rights-of-way giving notice of the Project corridor to the extent authorized by law. The Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full length of the transmission line until the transmission line structures are constructed. To the extent practicable, within 45 days of securing easements or rights-of-way for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Such signage shall be no smaller than a normal roadway sign. The signs shall advise:
 - (a) That the site has been approved for the construction of Project facilities;
 - (b) The expected date of completion of the Project facilities;
 - (c) A phone number for public information regarding the Project;
 - (d) The name of the Project;
 - (e) The name of the Applicant; and
 - (f) The website of the Project.

Signs have been posted along the Preferred Route.

10. Applicant, or its assignee(s), shall design the transmission lines to incorporate reasonable measures to minimize impacts to raptors.

The Generation-Tie Line has been designed to incorporate measures to minimize impacts to raptors in accordance with the Avian Power Line Interaction Committee's (APLIC) guidance.

11. Applicant, or its assignee(s), shall use non-specular conductor and dulled surfaces for transmission line structures.

The Generation-Tie Line has been designed to incorporate non-specular conductor and dulled surface poles and structures.

12. Before construction on this Project may commence, the Applicant shall file a construction mitigation and restoration plan ("Plan") with ACC Docket Control. Where practicable, the Plan shall specify the Applicant's plans for construction access and methods to minimize impacts to wildlife and to minimize vegetation disturbance, particularly in drainage channels. Applicant shall re-vegetate, unless waived by the landowner, native areas of construction disturbance to its preconstruction state after construction has been completed, excepting roads providing access to and along the right-of-way and excepting cleared areas around each structure providing access for maintenance and repair activities. Applicant shall select the nature of re-vegetation to avoid interference with the transmission line or intrusion upon safety clearances around the transmission line. The Plan shall specify the Applicant's plans for providing a

biological monitor to ensure compliance with Condition No. 5 and the Arizona Native Plant Laws and plans for coordination with the Arizona Game and Fish Department and e State Historic Preservation Office. The Applicant shall use existing roads for construction and access where practicable and the Plan shall specify the manner in which the Applicant makes use of existing roads.

Complete. A Construction Mitigation and Restoration Plan was docketed with the Arizona Corporation Commission on March 25, 2011 addressing the requirements of this condition.

13. With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums to coordinate transmission expansion plans related to the Project and to resolve transmission constraints in a timely manner.

The Applicant participates in good faith in state and regional transmission study forums. On an annual basis information on the project status is provided to SRP in support of preparing WECC powerflow base cases.

14. The Applicant shall provide copies of this Certificate to Maricopa County, the Arizona State Land Department, the Bureau of Land Management, the State Historic Preservation Office and the Arizona Game and Fish Department.

Complete. Copies were submitted to each of these agencies.

15. Applicant will follow the latest Western Electricity Coordinating Council/North American Electric Reliability Corporation planning standards as approved by the Federal Energy Regulatory Commission, and National Electrical Safety Code construction standards.

The Applicant will follow the WECC/NERC planning standards and the NEC construction standards during the construction and operation of the affected facilities.

16. The Applicant shall submit a self-certification letter annually, identifying progress made with respect to each condition contained in the Certificate, including which conditions have been met. Each letter shall be submitted to Docket Control of the Arizona Corporation Commission on May 1 beginning in 2010. Attached to each certification letter shall be documentation explaining how compliance with each condition was achieved. Copies of each letter along with the corresponding documentation shall be submitted to the Arizona Attorney General and Department of Commerce Energy Office. The requirement for the self-certification shall expire on the date the Project is placed into operation.

Self-certification letters have been submitted annually as required.

17. The Applicant shall expeditiously pursue reasonable efforts to work with private landowners on whose property the Project right-of-way will be located, if any, to mitigate the impacts of the location, construction and operation of the Project on private land.

The Generation-Tie Line will only cross one privately- owned property. The Applicant has negotiated a final easement agreement to cross the property and will continue to work with this landowner to mitigate any impact of the construction and operation of the Project.

18. Applicant shall file with the Commission Utilities Division no later than August 31, 2011, a notice of whether it has selected the Preferred or Alternate Route.

Complete. The required notice has been filed documenting that the Applicant has selected the Preferred Route.

19. Applicant shall conduct surveys prior to construction to determine the presence of LeConte's Thrasher and Western Burrowing Owl. Such surveys will follow the most recent burrowing owl guidelines published by the Arizona Game and Fish Department. The survey results will be used to develop mitigation measures during construction and maintenance of the transmission line.

Surveys are complete. No LeConte's Thrasher or Western Burrowing Owl have been identified within the affected areas.

20. If Sonoran desert tortoises are encountered during construction and maintenance of the Project, the Applicant shall follow the Arizona Game and Fish Department's Guidelines for Handling Sonoran Desert Tortoises.

As described in the Construction Mitigation and Restoration Plan, the AZGFD Guidelines for Handling Sonoran Desert Tortoises will be followed if Sonoran desert tortoises are encountered during construction or maintenance of the project.

21. If Kit Fox are encountered during construction and maintenance of the Project, the Applicant shall make reasonable efforts to avoid adverse impact to the Kit Fox.

As described in the Construction Mitigation and Restoration Plan, the Applicant and its representatives will make reasonable efforts to avoid adverse impacts to any Kit Fox encountered during construction and maintenance of the project.